Indigenisation of spare parts used in Indian cars

763. SHRIMATI JAYA BACHCHAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) what is the percentage of indigenous content of spare parts used in Indian cars at present; and

(b) by when the stage of cent per cent indigenization likely to be achieved?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) As per statistics compiled by the Society of Indian Automobile Manufacturer (SIAM), the percentage of indigenous content in vehicles in India is quite high and varies from model to model. In some models it is as high as 95%.

(b) The automobile industry world over follows integrated manufacturing process with components and systems being sourced from various places and consolidated in assembly plants. Since some of the spare parts/items are not manufactured in India, the requirement is met by import. The indigenization of the same would be possible only when the industry attains economy of scale and the domestic manufacturing of these items becomes economically viable.

Revival of Hindustan Cables Limited

764. DR. V. MAITREYAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the over all situation of the sick public sector undertaking Hindustan Cables Limited;

(b) the accumulated loss of the company during the last three financial years;

(c) the main reasons for this sickness of the unit;

(d) the steps being taken to revive the unit;

(e) whether any time-frame has been set to revive this unit;

(f) whether Government is considering any revival package or VRS scheme to improve the company; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) Hindustan Cables Limited (HCL) is making losses since 1995-96. The company was referred to BIFR in the year 2002 and was declared sick in 2003. There is no production activity in its three units since 2003. Government of India is providing non-plan loan for salary, wages and statutory dues within the budgetary constraints.

(b) Details are as follows:-

(Rupees in crore)

2005-06	2006-07	2007-08
1997.61	2308.29	2743.30

(c) Main reasons for the sickness of the Company are as follows:

i. HCL was working in protected environment since 1952 but after liberalization in 1992, it had to compete with private companies;

ii. Change of technology by the telecom companies from land line to wireless technology, thereby reducing demand of cables drastically;

iii. The Company was manufacturing only telecom cables and its only customer was Department of Telecommunication (now BSNL/MTNL) which switched over to wireless technology resulting in lack of demand for telecom cables;

iv. Lack of diversification at the appropriate time keeping in view the changes in technology.

(d) Government of India have got conducted several feasibility studies to consider revival of HCL. The latest study was conducted by IIT, Kharagpur in March, 2007. This Report was placed before the BRPSE for its consideration. The BRPSE in its meeting held on 09.01.2008 has recommended revival of HCL through Joint Venture with Public or Private Sector, failing which, complete disinvestment after clearing the Balance Sheet of the company. Accordingly, DHI has approached some CPSEs, such as MTNL, IRCON, RAIL TEL and Power Grid Corporation of India which have potential synergies with the HCL for forging an alliance with HCL. No positive response was received. Subsequently, an advertisement was published in the leading news papers on 22.08.2008 seeking Expression of Interest for JV with HCL.

(e) No, Sir.

(f) Details of Revival through Joint Venture route as per the recommendation of BRPSE are given above. As regards VRS, HCL has been asked to seek approval of its Board of Directors for reopening of VRS.

(g) As mentioned above.

Manpower in BHEL

765. SHRI PRASANTA CHATTERJEE: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the category-wise sanctioned manpower in Bharat Heavy Electricals Ltd. (BHEL) for each of its unit separately, as on date;

(b) the men in position as on date;

(c) the time bound action plan to fill up the vacancies; and

(d) the number of contract employees including unskilled, semi-skilled and skilled working within the BHEL units?